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Macroeconomic policy questions: international trade and development

Draft resolution submitted by the Vice-Chairman of the Committee, Mr. Henri S. Raubenheimer (South Africa), on the basis of informal consultations held on draft resolution A/C.2/58/L.32

International trade and development

The General Assembly,

Recalling its resolutions 55/182 of 20 December 2000, 56/178 of 21 December 2001 and 57/235 of 20 December 2002 on international trade and development,

Recalling also the Plan of Action adopted at the tenth session of the United Nations Conference on Trade and Development, held in Bangkok from 12 to 19 February 2000,[1]

Reaffirming the role of the United Nations Conference on Trade and Development as focal point within the United Nations for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development,

Recalling the provisions of the United Nations Millennium Declaration[2] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002,[3] and the World Summit on Sustainable Development, held in Johannesburg, South Africa, from 26 August to 4 September 2002,[4]

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[1] TD/390, part II.

[2] See resolution 55/2.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[4] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, and resolution 2, annex.

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Recalling also its resolutions 57/250 of 20 December 2002 and 57/270 B of 23 June 2003, in which it invited the United Nations Conference on Trade and Development, as well as the Trade and Development Board, to contribute, within its mandate, to the implementation and to the review of the progress made in the implementation of the outcomes of major United Nations conferences and summits and invited the President of the Trade and Development Board to present the outcomes of such reviews to the Economic and Social Council,

Taking note of the report of the Meeting of Eminent Persons on commodity issues, and expressing appreciation for the work of the Eminent Persons,

Recalling that, to benefit fully from trade, which in many cases is the single most important external source of development financing, the establishment and enhancement of appropriate institutions and policies in developing countries, as well as in countries with economies in transition, are needed, and that, in this context, enhanced market access, balanced rules and well-targeted, sustainably financed technical assistance and capacity-building programmes for developing countries also play important roles,

Noting also the significant contribution of the multilateral trading system to economic growth, development and employment, and the importance of maintaining the process of reform and liberalization of trade policies, as well as the importance of rejecting the use of protectionism so that the system plays its full part in promoting recovery, growth and development, in particular of developing countries, bearing in mind paragraph 10 of resolution 55/182,

Recognizing with concern that the benefits from global economic prosperity and trade liberalization have not fully accrued to all developing countries,

Recognizing also that a number of developing countries have undertaken significant trade and investment liberalization unilaterally, regionally and/or multilaterally, both within and outside the context of structural adjustment programmes,

Reaffirming the urgency, subject to national legislation, to recognize the rights of local and indigenous communities who are holders of traditional knowledge, innovations and practices, and, with the approval and involvement of the holders of such knowledge, innovations and practices, to develop and implement benefit-sharing mechanisms on mutually agreed terms for the use of such knowledge, innovations and practices,

Recognizing that countries take appropriate and necessary security measures, but also underlining the importance of these being taken in a manner that is least disruptive of normal trade and related practices,

Taking note of the in-depth review undertaken by the Trade and Development Board at its fiftieth session with respect to developments and issues in the post-Doha work programme of particular concern to developing countries, including the outcome of the Fifth Ministerial Conference of the World Trade Organization,[5] and its contribution to an understanding of the actions required to help developing countries secure beneficial and meaningful integration into the multilateral trading

[5] See A/58/15 (Part V), sect. II.B.

system and the global economy and to achieve a balanced, development-oriented and successful conclusion of the Doha negotiation,

Taking note of the report of the Trade and Development Board[6] and the report of the Secretary-General on international trade and development,[7]

Noting the proposals made to implement the work programme of the World Trade Organization, including those to liberalize international agricultural and non-agricultural trade,

Underlining the development potential of a balanced outcome of the negotiations under the World Trade Organization Doha work programme, which reflects the interests of all World Trade Organization members, particularly the developing countries,

1. *Reaffirms* the great importance of promoting the objective as set out in the Millennium Declaration[2] of ensuring an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system in pursuit of economic growth and development, fairness and a level playing field as well as human development and poverty eradication goals, and reiterates its commitment to achieving that goal;

2. *Reiterates* the commitment made at the Fourth Ministerial Conference of the World Trade Organization, held in Doha from 9 to 14 November 2001,[8] to place development at the heart of the Doha work programme and to continue to make positive efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development;

3. *Expresses concern* about the insufficient progress in the Doha negotiations, especially in areas of interest for developing countries, as manifested, inter alia, by missed deadlines in relation to special and differential treatment, implementation-related issues and concerns, and modalities for agricultural negotiations;

4. *Also expresses its concern* about the setback at the Fifth Ministerial Conference of the World Trade Organization and stresses the importance of redoubling efforts in working towards a successful, timely and development-oriented conclusion of the Doha negotiations no later than 1 January 2005 as set out in the Ministerial Declaration of the Fourth Ministerial Conference of the World Trade Organization ("Doha Ministerial Declaration");

5. *Further expresses its concern* about the adverse consequences that the setback of the Fifth Ministerial Conference may have for the multilateral trading system, including a possible surge in protectionist measures;

6. *Expresses its concern* about the adoption of a number of unilateral actions that are not consistent with the rules of the World Trade Organization, harm the exports of all countries, in particular those of developing countries, and have a considerable bearing on the ongoing World Trade Organization negotiations and on the achievement and further enhancement of the development dimension of the trade negotiations;

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[6] A/58/15 (Parts I to V).

[7] A/58/414.

[8] See A/C.2/56/7, annex.

7. *Considers* that the political will and commitment of World Trade Organization members to address the unresolved questions under the World Trade Organization Doha work programme promptly and fully and focus on the key development issues are essential for bringing the negotiations back on track;

8. *Underscores* the need for concerted political will and efforts for addressing the challenges of globalization, including by improving market access and market entry to the export products of particular interest to developing countries, so that they can benefit more from the globalization process;

9. *Recognizes* the importance for developing countries and countries with economies in transition of considering reducing trade barriers among themselves;

10. *Stresses* the importance of an open, transparent, inclusive and democratic process and of procedures for the effective functioning of the multilateral trading system that allow for internal transparency and the effective participation of members, including in the decision-making process, and that enable them to have their vital interests duly reflected in the outcome of trade negotiations;

11. *Also stresses* the need to place the interests and concerns of developing countries at the heart of the Doha work programme and to revive faith in it and, in this regard, calls upon members of the World Trade Organization to engage in negotiations with a renewed sense of urgency and purpose and to redouble their efforts to achieve a successful outcome of the Doha work programme, including, inter alia, on the following issues of particular interest to the developing countries:

(a) The expeditious and appropriate solution of outstanding implementation issues, consistent with paragraph 12 of the Doha Ministerial Declaration;

(b) The completion of the review of all provisions of special and differential treatment with a view to strengthening them and making them more precise, effective, operational, recognizing the importance of paragraph 12.1 (i) of the decision on implementation-related issues and concerns of 14 November 2001 adopted by the fourth Ministerial Conference of the World Trade Organization in Doha;

(c) Substantial improvements in market access, reduction of with a view to phasing out all forms of export subsidies, and substantial reductions in trade-distorting domestic support in agriculture, and the expeditious adoption of appropriate modalities for reduction commitments in agriculture negotiations, with operationally effective special and differential treatment and non-trade concerns being taken into account, in accordance with paragraphs 13 and 14 of the Doha Ministerial Declaration;

(d) Addressing the issue of abusive application of anti-dumping, sanitary and phytosanitary standards and other trade-distorting measures;

(e) The positive consideration of trade-related issues pertaining to the commodity sector in the multilateral trading system;

(f) An effective solution to address the problems reflected in the sectoral initiative in favour of cotton proposed by a group of African countries within the context of negotiations on agriculture under the Doha work programme;

(g) Negotiations on trade in services conducted with a view to promoting the economic growth of all trading partners and the development of developing countries and least developed countries, without a priori exclusion of any service sector or mode of supply and with special attention given to sectors and modes of supply of export interest to developing countries, recognizing the work already undertaken in the negotiations and the large number of proposals submitted by members on a wide range of sectors and on several horizontal issues, as well as on movement of natural persons;

(h) Appropriate modalities for reduction or elimination commitments in negotiations on market access for non-agricultural products, as provided for in paragraph 16 of the Doha Ministerial Declaration, in particular on products of export interest to developing countries, and taking into account the special needs and interests of developing and least developed country participants, including through less than full reciprocity in reduction commitments;

(i) The review of the Agreement on Trade-related Aspects of Intellectual Property Rights, taking fully into account its development dimension;

(j) In accordance with paragraph 16 of the Doha Ministerial Declaration on market access for non-agricultural products, reduction or elimination of high tariffs, tariff peaks and tariff escalation, as well as non-tariff barriers, on those products, in particular on products of export interest to developing countries;

(k) The clarification and improvement of disciplines in the areas of anti-dumping, subsidies and countervailing measures, taking into account the needs of developing countries, including the least developed among them, while preserving the basic concepts, principles and effectiveness of those agreements and their instruments and objectives in non-agricultural market access;

(l) The examination, in the context of paragraphs 36 and 37 of the Doha Ministerial Declaration, of the relationship between trade, debt and finance, and between trade and transfer of technology, and possible recommendations thereon, taking into account their development dimension;

(m) Making the World Trade Organization operations more transparent, including through more effective and prompt dissemination of information;

12. *Recognizes* the crucial role that the expeditious implementation of World Trade Organization agreements and improved World Trade Organization rules, reflective of the development dimension of the Doha Ministerial Declaration, can play for the development opportunities of developing countries and their capacity to integrate into the global economy;

13. *Takes note* of the provisions of the Doha Ministerial Declaration with respect to the relationship between trade and investment, the interaction between trade and competition policy, transparency in government procurement and trade facilitation;

14. *Reaffirms* that agriculture remains a fundamental and key sector for the overwhelming majority of developing countries, and stresses the importance of a successful conclusion of the Doha work programme in this regard;

15. *Further reaffirms* the commitment to full and faithful implementation of the Agreement on Textiles and Clothing, and calls for further progress in its implementation, which is a necessary and inherent condition of full implementation of the agreements arising from the Uruguay Round of multilateral trade negotiations;

16. *Reaffirms* that preferences granted to developing countries, pursuant to the "enabling clause",[9] should be generalized, non-reciprocal and non-discriminatory;

17. *Also reaffirms* the need for the implementation of paragraph 4 of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Countries;[10]

18. *Welcomes* the decision adopted by the General Council of the World Trade Organization on the implementation of paragraph 6 of the Doha Declaration on the Agreement on Trade-related Aspects of Intellectual Property Rights and Public Health[11] to address the problems faced by countries with insufficient or no manufacturing capacities in the pharmaceutical sector in accessing medicines at affordable prices when combating serious public health problems, afflicting many developing and least developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics, and invites all members to work towards an expeditious and permanent solution to the issue by, inter alia, amending the Agreement on Trade-related Aspects of Intellectual Property Rights within the agreed time frame, to ensure that the solution will be simple to use, sustainable, predictable and legally secure;

19. *Emphasizes* that bilateral and regional trade arrangements should contribute to the multilateral trading system, and in this context stresses the importance of clarifying and improving disciplines and procedures under the existing provisions of the World Trade Organization applying to regional trade agreements in accordance with paragraph 29 of the Doha Ministerial Declaration, taking into account the implications of these agreements for development, and urges the United Nations Conference on Trade and Development, in accordance with its mandates, to provide technical inputs in this respect;

20. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization held at Doha and at the Third United Nations Conference on the Least Developed Countries, held at Brussels from 14 to 20 May 2001,[12] in this regard calls upon developed countries that have not already done so to work towards the objective of duty-free, quota-free market access for all least developed countries' exports, and notes that the consideration of proposals for developing countries to contribute to improved market access for least developed countries would also be helpful;

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[9] Decision of the Contracting Parties of 28 November 1979.

[10] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh, on 15 April 1994* (GATT Secretariat publication, Sales No. GATT 1994-7).

[11] WT/L/540. Available on the Internet at http://docsonline.wto.org.

[12] See A/CONF.191/11 and 12.

21. *Welcomes* the approval of the accession of Cambodia and Nepal to the World Trade Organization, stresses the importance of facilitating the accession of all developing countries, particularly the least developed countries, as well as countries with economies in transition, that apply for membership in the World Trade Organization, bearing in mind paragraph 21 of General Assembly resolution 55/182 and subsequent developments and calls for effective and faithful application of the WTO guidelines on accession of the least developed countries;

22. *Invites* members of the international community to consider the interests of non-members of the World Trade Organization in the context of trade liberalization;

23. *Reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration;

24. *Acknowledges* the seriousness of the concerns expressed in the Almaty Programme of Action adopted at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation,[13] held in Almaty, Kazakhstan, on 28 and 29 August 2003, and stresses the need for the special problems and needs of landlocked developing countries, including those contained in paragraph 33 of the Programme of Action, as well as other relevant issues contained in the section on international trade and trade facilitation of the Programme of Action, to be effectively addressed by the relevant international organizations and donors within a multi-stakeholder approach;

25. *Notes* the health and environment-related measures that have an impact on exports, stresses that the adoption or enforcement of any measures necessary to protect human, animal or plant life or health should not be applied in a manner that would constitute arbitrary or unjustified discrimination or a disguised restriction on international trade and recognizes the importance of capacity-building support for developing countries so as to enable them to put in place the appropriate measures necessary for meeting standards consistent with the World Trade Organization;

26. *Encourages* the United Nations Conference on Trade and Development, the World Trade Organization, the World Bank, the United Nations Industrial Development Organization, the United Nations Development Programme and other relevant international organizations to continue to cooperate on trade-related capacity-building in developing countries, including, as appropriate, under the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

[13] A/CONF.202/3, annex I.

27. *Requests* the United Nations Conference on Trade and Development to continue its work, within its mandate, on trade-related issues and policies, from the development perspective, including its contribution to the Johannesburg Plan of Implementation, and notes its work on development benchmarks of the international trading system and trade negotiations;[14]

28. *Reiterates* the importance of supporting the United Nations Conference on Trade and Development programmes of technical cooperation and capacity-building that assist developing countries, especially the least developed countries, the countries with economies in transition and small and vulnerable economies, in particular those programmes in support of their participation in the Doha work programme, in accordance with the technical cooperation strategy of the United Nations Conference on Trade and Development;

29. *Emphasizes* the importance of and invites Member States to support the activities of the United Nations Conference on Trade and Development, and invites donors and other countries in a position to do so to continue to provide the United Nations Conference on Trade and Development with the resources necessary to effectively implement its technical cooperation activities by giving priority to longer-term sustainable activities, particularly through multi-year funding mechanisms and inter-divisional operations based on the thematic priorities set by the United Nations Conference on Trade and Development work programme;

30. *Takes note* of the substantive item of the provisional agenda of the eleventh session of the United Nations Conference on Trade and Development,[15] to be held in São Paulo, Brazil, from 13 to 18 June 2004, entitled "Enhancing coherence between national development strategies and global economic processes towards economic growth and development, particularly of developing countries", as well as its sub-theme "Assuring development gains from the international trading system and trade negotiations", and in this context stresses the importance of strengthening the role and mandate of the United Nations Conference on Trade and Development on trade and development;

31. *Requests* the Secretary-General of the United Nations, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to report to the General Assembly at its fifty-ninth session on the implementation of the present resolution and on developments in the multilateral trading system, under the sub-item entitled "International trade and development".

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[14] TD/B/50/8 of 29 September 2003.

[15] A/58/15 (Part V), annex II.